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**DEPARTMENT OF AGRICULTURE**

**Agricultural Marketing Service**

**[Doc. No. AMS-DA-10-0089; DA-11-01]**

**Milk in the Northeast and Other Marketing Areas; Determination of Equivalent Price Series**

**AGENCY:** Agricultural Marketing Service, USDA.

**ACTION:** Determination of equivalent price series.

**SUMMARY:** It has been determined by the Deputy Administrator of Dairy Programs that the dairy products price series in the Dairy Products Sales report released by the Agricultural Marketing Service (AMS) is equivalent to the price series previously released by the National Agricultural Statistics Service (NASS) in the Dairy Products Prices report. The dairy product price series is used in the price discovery mechanism for raw milk component values, and the component values are then used in determining Federal milk market order (FMMO) minimum classified milk prices. AMS previously used the NASS prices in the determination of raw milk component values; however, the responsibility for the collection of dairy product sales data was transferred from NASS to AMS effective April, 1, 2012 (77 FR 8717), at which time NASS discontinued the publication of its Dairy Products Prices report. The data collected by AMS through this new system will be used for future component value computations and the subsequent calculation of FMMO minimum classified milk prices. The establishment of an equivalent dairy products price series is essential to the continuing operation of the FMMO program.

**DATES:** April 18, 2012.

**FOR FURTHER INFORMATION CONTACT:** Bret Tate, Order Formulation and Enforcement Division, USDA/AMS/Dairy Programs, STOP 0231-Room 2963, 1400 Independence Ave, SW, Washington, DC 20250-0231, (202) 720-7183, e-mail address: [Bret.Tate@ams.usda.gov](mailto:Bret.Tate@ams.usda.gov).

**SUPPLEMENTARY INFORMATION:** This action provides an equivalent series of dairy products prices for the calculation of milk component values and classified milk prices in all FMMOs (7 CFR parts 1001, 1005, 1006, 1007, 1030, 1032, 1033, 1124, 1126, and 1131). The Department of Agriculture (Department) has been using the Dairy Products Prices report as published weekly by NASS in the calculation of raw milk component values, as referenced in section 1000.50. These component values are subsequently used in the computation of the minimum classified prices used by the FMMO program.

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 USC 601-674 and 7253), and part 1000 and the applicable provisions of the orders regulating the handling of milk in the previously mentioned marketing areas, it is found and determined that:

(1) In September 2010, the Mandatory Price Reporting Act of 2010 (Pub. L. 111-239) amended section 273(d) of the Agricultural Marketing Act of 1946 (7 USC 1637b) to require that the Secretary establish an electronic reporting system for reporting data under the dairy product mandatory reporting program.

(2) As such, AMS implemented the electronic reporting system (77 FR 8717) and, as part of that rulemaking, it also announced the transfer of the collection of dairy product sales data from NASS to AMS, effective April 1, 2012. Subsequently, NASS discontinued its Dairy Products Prices report as of Friday, March 30, 2012.

(3) AMS began releasing its own dairy products price series for cheddar cheese (40 pound blocks and 500 pound barrels), butter, nonfat dry milk, and dry whey in a report titled Dairy Products Sales on April 4, 2012.

(4) Section 1000.54 provides that if for any reason a price required by the order for computing class prices is not available as prescribed in the order, the market administrator may use an equivalent price as determined by the Deputy Administrator, Dairy Programs, AMS.

(5) As the NASS publication stipulated in the order is unavailable for use in the computation of class prices, the Deputy Administrator for Dairy Programs has determined that the AMS price series is equivalent to those data previously collected by NASS, in accordance with the authorities granted by section 1000.54.

(6) Effective April 18, 2012, and thereafter, the data series contained in the AMS Dairy Products Sales report will be used to compute the raw milk component values that are used in determining FMMO minimum classified prices.

**AUTHORITY:** 7 U.S.C. 601-674, and 7253.

Dated: April 9, 2012

Ruihong Guo  
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